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SENATE BILL 2876 By
McNally

HOUSE BILL 2600
By Burchett

AN ACT to amend Tennessee Code Annotated, Title 48, Chapter 2, relative to an exemption for certain limited offerings and sales of securities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 48-2-103, is amended by adding the following as a new, appropriately designated subsection:

() The following securities are exempted from §§ 48-2-104, 48-2-113 and, except as the commission may otherwise require by rule or regulation, § 48-2-124(e):

(1) Offers and sales of securities that satisfy the conditions of subdivision (2) of this subsection by an issuer that is not:

(A) subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (15 USC 78(a) et seq.);

(B) an investment company; or

(C) a development stage company that either has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies, or other entity or person.

(2) To qualify for an exemption under this subsection:

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(A) Offers and sales of securities shall satisfy the terms of 17 CFR §§ 230.501 and 230.502(a); and

(B) The aggregate offering price for an offering of securities, as defined in 17 CFR 230.501(c), under this subsection shall not exceed one million dollars (\$1,000,000), less the aggregate offering price for all securities sold within the twelve (12) months before the start of and during the offering of securities under this section, in reliance on any exemption under Section 3(b) of the Securities Act of 1933, as amended (15 USC 77(a) et seq.) or in violation of Section 5(a) of such act.

SECTION 2. This act shall take effect July 1, 1998, the public welfare requiring it.